

Message Text

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TO SECSTATE WASHDC PRIORITY 1992
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY THE HAGUE
USMISSION USNATO

C O N F I D E N T I A L MADRID 7441
BRUSSELS ALSO FOR USEEC

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TAGS: PINT, SP
SUBJECT: PSOE LEADERS VENT CONCERNS

REF: MADRID 7387 NOTAL

SUMMARY BASED ON COMMENTS BY TWO EXECUTIVE COMMITTEE MEMBERS, THE PSOE, BEARISH ABOUT THE GOVT'S ABILITY TO TURN THE ECONOMY AROUND (WITH ALL THAT IMPLIES FOR THE POLITICAL SITUATION) AND CONCERNED--EXAGGERATEDLY, IN OUR VIEW--THAT IT MIGHT THEREFORE BE THRUST PREMATURELY INTO POWER, APPEARS SERIOUSLY TO BE CASTING ABOUT FOR ALTERNATIVES SHORT OF THE PCE-PROMOTED GOVT OF NATIONAL CONCENTRATION, WHICH THE PSOE CONSIDERS AN UNPALATABLE LAST RESORT. ACCORDING TO THE TWO LEADERS, PSOE THINKING
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CURRENTLY TURNS ON SOME SORT OF PROGRAMMATIC PACT (THUS FAR UNDEFINED) WITH THE GOVT OR, IF THAT FAILS, A POSSIBLE COALITION GOVT INVOLVING THE PSOE, OTHER NON-COMMUNIST OPPOSITION GROUPS, AND "THE MORE PROGRESSIVE ELEMENTS OF UCD" (OBVIOUSLY A HIGHLY PROBLEMATIC ALTERNATIVE).
END SUMMARY.

1. DURING A PRIVATE OCT. 5 LUNCHEON CONVERSATION PSOE EXECUTIVE COMMITTEE MEMBERS ENRIQUE MUGICA AND LUIS YANEZ EXPRESSED THE CONVICTION THAT THE SUAREZ GOVT, DUE LARGELY TO WHAT THEY CONSIDERED SUAREZ' POLITICAL MYOPIA AND UCD'S INTERNAL CONTRADICTIONS, HAD IRREVERSIBLY LOST THE CONFIDENCE OF THE MILITARY, THE BUSINESS/FINANCIAL CLASS, AND THE CHURCH (AND NEVER HAD ENJOYED THE CONFIDENCE OF THE VAST MAJORITY OF WORKERS). CONSEQUENTLY, THEY THOUGHT IT ALMOST INCONCEIVABLE THAT THE GOVT COULD DEAL EFFECTIVELY WITH THE COUNTRY'S ECONOMIC AND OTHER BASIC PROBLEMS. THIS RAISED THE VERY TROUBLESOME PROSPECT, THEY CONTINUED, THAT THE PSOE, WITH A STRONG SHOWING IN THE PLANT-LEVEL UNION ELECTIONS AND MUNICIPALS POSSIBLY BRINGING EARLY PARLIAMENTARY ELECTIONS IN WHICH THE PARTY COULD TAKE A PLURALITY, MIGHT WELL BE CAPTAPULED INTO POWER "PREMATURELY."

2. WHILE THEY WERE FULLY PREPARED TO GOVERN WHEN THE TIME CAME, THE COUNTRY (AND, IMPLICITLY, THE PARTY) WAS NOT NOW PREPARED FOR A SOCIALIST GOVT. AS A RESULT, THE PARTY WAS CONSIDERING THE POLITICAL OPTIONS OPEN TO IT, SHORT OF THE PCE-ADVOCATED GOVT OF CONCENTRATION, WHICH THEY VIEWED AS AN UNWIELDY LAST RESORT WHICH MIGHT WELL FAIL AND WHICH WOULD FURTHER LEGITIMIZE THE PCE. INSTEAD, --YANEZ FOCUSED ON THE DESIRABILITY OF A PROGRAMMATIC

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PACT BETWEEN THE PSOE AND THE GOVT AS A WAY OUT OF THE CURRENT IMPASSE AND AS THE LOGICAL FIRST STEP BEFORE ANY SERIOUS CONSIDERATION WAS GIVEN TO PSOE PARTICIPATION IN THE GOVT. (HE DID NOT, HOWEVER, EVEN IN RESPONSE TO QUESTIONS, ELABORATE ON WHAT SUCH A PACT MIGHT CONSIST OF.) --MUGICA, IN CONTRAST, WENT ON AT SOME LENGTH ABOUT A POSSIBLE COALITION GOVT INCLUDING THE PSOE, OTHER NON-COMMUNIST OPPOSITION GROUPS, AND "THE MORE PROGRESSIVE ELEMENTS OF UCD" (SOCIAL DEMOCRATS, CHRISTIAN DEMOCRATS AND EVEN PERHAPS LIBERALS). FINANCE MINISTER FERNANDEZ ORDONEZ WAS SPECIFICALLY MENTIONED. IT WOULD NOT BE NECESSARY (OR DESIRABLE) TO BRING THE PCE INTO SUCH A GOVT IN ORDER TO PROTECT THE PSOE'S LEFT FLANK, MUGICA CONTINUED (EXEC COMMITTEE MEMBER, JAVIER SOLANA RECENTLY INDICATED OTHERWISE TO EMBOFF), BUT THE GOVT WOULD HAVE TO BE BASED ON A PROGRAM LARGELY OF PSOE INSPIRATION AND WOULD IN THEIR MIND BE HEADED UP BY PSOE SECGEN FELIPE GONZALEZ.

3. AS USUAL IN RECENT MONTHS, MUGICA AND YANEZ WERE HIGHLY CRITICAL OF SUAREZ FOR WHAT THEY CONSIDERED

HIS TENDENCY TO GOVERN ALONE WITH ONLY A FEW CLOSE ASSOCIATES AND HIS SACRIFICE OF LONG-TERM NEEDS FOR SHORT-TERM GAINS. (IN THEIR VIEW, THE "INNER CABINET" CONSISTS OF SUAREZ, FIRST VICE PRESIDENT FOR DEFENSE GUTIERREZ MELLADO, THIRD VICE PRESIDENT FOR POLITICAL AFFAIRS ABRIL MARTORELL, INTERIOR MINISTER MARTIN VILLA, AND PRESIDENCY MINISTER OTERO.) IN PARTICULAR, THEY WERE EXERCISED OVER WHAT THEY CONSIDERED THE GOVT'S SURREPTITIOUS EFFORTS TO AID THE COMMUNISTS IN THE COMING PLANT-LEVEL UNION ELECTIONS, IN ORDER TO WEAKEN THE PSOE AND DIVIDE THE WORKING CLASS AND POLITICAL OPPOSITION GENERALLY. THEY WOULD NOT BE MORE SPECIFIC, HOWEVER, THAN TO CITE LABOR MINISTER JIMENEZ DE PARGA'S "RELATIONSHIP" WITH THE COMMUNIST-DOMINATED WORKERS
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COMMISSIONS (SWC), THE PERCEIVED HAND OF UCD IN EXACERBATING THE SPLIT IN THE INDEPENDENT SOCIALIST USO TRADE UNION OVER LINKING UP WITH THE PSOE-ALLIED UGT (MADRID 7297), AND THE GOVT'S "BACKING DOWN" ON THE PROMISED GUARANTY FOR A SUBSTANTIAL GERMAN DGB LOAN TO THE UGT (REFTEL CONTAINS A MORE DETAILED ELABORATION OF THE PSOE/UGT CHARGES).

4. IN THIS REGARC, THEY EXPRESSED PARTICULAR CONSTERNATION OVER WHAT THEY CONSIDERED THE GOVT'S INABILITY TO UNDERSTAND THAT THE COUNTRY NEEDED A STRONG DEMOCRATIC SOCIALIST TRADE UNION MOVEMENT. BOTH FOR EFFECTIVE LABOR-MANAGEMENT RELATIONS AND FOR SPAIN'S LONG-TERM POLITICAL WELL-BEING. IN FACT, IF THE UGT WAS AS SUCCESSFUL IN THE PLANT-LEVEL ELECTIONS AS THE PSOE THOUGHT IT COULD BE, SPAIN WOULD BE WELL ON ITS WAY TO BECOMING THE ONLY LATIN EUROPEAN COUNTRY WHERE SOCIALISTS, NOT COMMUNISTS, DOMINATED THE LABOR MOVEMENT. WITHOUT THIS SOCIALIST PREPONDERANCE IN THE LABOR SPHERE, THEY CONCLUDED, THE PSOE'S ABILITY EVENTUALLY TO GOVERN ALONE WOULD BE SEVERELY UNDERMINED AND AN EVENTUAL POPULAR FRONT--BECAUSE OF THE COMMUNISTS' LABOR STRENGTH --WOULD BECOME ALMOST INEVITABLE, IN SPITE OF THE PSOE'S DESIRE TO GO IT ALONE. THIS WAS THE PRICE THE GOVT WOULD LIKELY PAY IF IT PLAYED THE PCE LABOR CARD FOR SHORT-TERM GAINS.

4. COMMENT: WE BELIEVE THAT THE PSOE, FEELING THE HEAT FROM THE CURRENT LACK OF PUBLIC CONVICENCE IN THE GOVT (AND, TO A LESSER BUT SIGNIFICANT EXTENT, IN THE POLITICAL CLASS GENERALLY), REPORTS OF GRUMBLING IN THE MILITARY AND UNREMITTING PRESSURE FROM THE PCE AND OTHER SMALLER OPPOSITION GROUPS FOR A GOVT OF CONCENTRA-
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TION, IS INDEED MULLING OVER A POSSIBLE PACT WITH THE GOVT ON THE ECONOMIC PROGRAM. THE PSOE'S POSITIVE REACTION (AFTER MOMENTARY PAUSE) TO SUAREZ' CALL FOR MEETINGS THIS WEEKEND WITH POLITICAL PARTY LEADERS TO CONSIDER THE ECONOMIC PROGRAM AND OTHER ISSUES TENDS TO CONFIRM THIS VIEW. (YANEZ ON OCT. 6 EXPRESSED TO US CONSIDERABLE OPTIMISM AFTER CONVERSATIONS DURING THE DAY AMONG SUAREZ, GONZALEZ AND OTHERS INCLUDING CARRILLO OVER THE POSSIBILITIES FOR AGREEMENT COMING OUT OF THE WEEKEND MONCLOA (MADRID 7421) AND SUBSEQUENT MEETINGS.) MUGICA'S HYPOTHESIS ON A COALITION GOVT, IN CONTRAST, APPEARS MORE OF A PERSONAL FORMULATION THAN AN AGREED PARTY POSITION AND, PARTICULARLY INsofar AS IT WOULD INVOLVE A SPLINTERING OF UCD, EFFECTIVE ACCEPTANCE OF A PSOE PROGRAM, AND PSOE DOMINANCE OF THE GOVT, IS HIGHLY PROBLEMATICAL.

5. THE PSOE IS, NOT SURPRISINGLY, PROBABLY EXAGGERATING THE GOVT'S DISCOMFITURE, ALTHOUGH SUAREZ CLEARLY DOES HAVE HIS WORK CUT OUT FOR HIM. MUGICA AND YANEZ MAY ALSO BE OVERDRAWING THE EXTENT TO WHICH THE GOVT IS TILTING AWAY FROM THE UGT IN THE COMING PLANT-LEVEL ELECTIONS. BUT IT IS TRUE THAT JIMENEZ DE PARGA DOES NOT HAVE THE CONFIDENCE OF THE UGT AND IS CLOSE TO A NUMBER OF SWC LEADERS, AND THAT THE GOVT HAS DRAGGED ITS FEET FOR FIVE MONTHS ON THE DGB LOAN GUARANTY. THIS MAY, HOWEVER, BE MORE A REFLECTION OF THE GOVT'S INTEREST IN THE CREATION OF A STRONG "INDEPENDENT" (THE LEFT WOULD SAY "YELLOW") TRADE UNION, RATHER THAN A DESIRE TO STRENGTHEN THE SWC AT THE UGT'S EXPENSE. PARTLY AS THE RESULT OF THE PSOE'S CONVICTION THAT THE GOVT IS NOT PLAYING FAIR IN THE COMING PLANT ELECTIONS (ECHOES OF THE PSOE "HISTORICAL" FACTION LEGALIZATION SQUABBLE), THE SOCIALISTS ARE DOING WHAT THEY CAN TO EXACERBATE INTERNAL TENSIONS WITHIN UCD, APPARENTLY TO INCLUDE COME-HITHER GLANCES AT FERNANDEZ ORDONEZ. STABLER

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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